

SCRUTINY & AUDIT COMMITTEE

**MINUTES OF THE MEETING HELD IN THE NPA MEETING ROOM, BUILDING 8,
JUBILEE HOUSE, WYMONDHAM, NORFOLK ON
TUESDAY 15 JUNE 2010 AT 10.00 A.M.**

Present:

Mr P Hardy
Mr H Humphrey – Chairman
Mr B Iles
Mrs V Jenkins
Mr T Tomkinson – Substitute
Mr P Wells

In Attendance:

Mr S Bailey	Assistant Chief Constable, Norfolk Constabulary
Mr R Birtles	Assistant Chief Officer (Resources), Norfolk Constabulary
Mr R Brown	Risk and Insurance Manager, Norfolk Constabulary
Miss S Bryant	Independent Custody Visiting Scheme Administrator / Research Officer, Norfolk Police Authority
Mr R Davies	The Audit Commission
Mr C Hewitt	The Audit Commission
Mr M Hill	Assistant Chief Executive, Norfolk Police Authority
Mrs K Last	Norfolk Audit Services
Mr I Learmonth	Deputy Chief Constable, Norfolk Constabulary
Mr S Mellor	Director of Financial Services and Accountancy, Norfolk Constabulary
Mr R Summers	Treasurer, Norfolk Police Authority
Mr A Thompson	Norfolk Audit Services
Miss N Wotton	Committee Administrator, Norfolk Police Authority

1. **Apologies for absence**

Apologies were received from Mr R Chapman, Mr B Hannah and Ms J McKibben. It was noted that Mr T Tomkinson was attending the meeting as a substitute on this occasion.

2. **Declarations of Interest**

There were none.

3. **Minutes of the meeting held on 13 May 2010**

The minutes of the meeting held on 13 May 2010 were agreed as a correct record and signed by the Chairman.

4. **Matters of Urgent Business**

There were none on this occasion.

5. **Policing Plan 2010/11**

- 5.1 The Assistant Chief Executive reminded Members that the Committee had delegated powers to approve the Policing Plan on behalf of the Authority. It was noted that the lead format for the Annual Policing Plan would be web-based, supported by a marketing plan, which would highlight its contents and direct those who want further information to the correct source.
- 5.2 Members were apprised that the April version of the Policing Plan had been published on the Norfolk Police Authority website, with links to the plan also embedded in the Norfolk Constabulary website. It was reported that the April version of the Plan had been updated regarding the latest changes to Constabulary's key departments and the Police Authority; including a Value For Money Statement in a format compliant with HMIC.
- 5.3 A Member queried the foreword from the Chairman, which included reference to Norfolk being the safest county in England, and did not reflect current thinking to use this fact less in media releases. There followed some discussion in this respect and the Deputy Chief Constable reported that the Constabulary would be focussing on crimes with the greatest impact upon the community. It was acknowledged that while some crime categories may increase over time, it was felt that satisfaction and confidence levels would increase while the Constabulary focussed upon crimes that had a greater impact on the public. It was agreed to retain the words in the full plan but remove them from the summary.
- 5.4 The Committee noted that a four page summary of the report would be designed in consultation with the Police Authority, which would be printed and distributed through public libraries in order for members of the public to obtain and take away a copy, if required.

RESOLVED:

- i) To note the contents of the report;
- ii) To agree the contents of the Policing Plan 2010/11.

6. **Review of the Corporate Governance Framework 2009/10**

- 6.1 The Director of Financial Services and Accountancy reported that having a sound governance framework was a pre-requisite to delivering successful public services and a greater emphasis had been placed on public bodies to demonstrate that they have the necessary framework; typified by transparent decision making processes, sound internal control mechanisms and robust risk management processes.
- 6.2 It was noted that the Accounts and Audit Regulations 2003 required audited bodies to conduct a review at least once each year of the effectiveness of their systems of internal control and to publish a statement on internal control each year with the Authority's financial statements. Members were informed that this was supplemented by the Accounts and Audit Regulations 2006, which required the findings of the review to be considered by a committee of the relevant body or my Members of the body as a whole.

- 6.3 Members were apprised that the Corporate Governance Assurance Group (CGAG) had been established in 2007 to undertake the review of the corporate governance framework. It was noted that the terms of reference for the CGAG were ratified by the Scrutiny and Audit Committee in January 2008 and membership of the Group included the Scrutiny and Audit Chairman, the Police Authority Treasurer and Internal Audit, as well as Senior Managers from the Constabulary. It was reported that the CGAG had concluded its review for 2009/10, which had focussed upon three specific areas: Completion of the previously agreed action plan, Compliance with the adopted Code of Corporate Governance and Preparation of the draft Annual Governance Statement.
- 6.4 Members received the draft Annual Governance Statement, which explained how the Authority had complied with proper internal control arrangements and the Code of Corporate Governance and were pleased to note that no significant issues had been identified. The Committee discussed the Statement and approved it subject to the minor amendments as suggested by the Treasurer.

RESOLVED:

- i) To note the contents of the report;
- ii) To endorse the review of the Governance Framework and approve the Annual Governance Statement, subject to the amendments as discussed at the meeting, for use by the Police Authority when it considers the annual accounts for 2009/10.

7. Norfolk Police Authority Corporate Business Plan 2010/11 – Progress Report

- 7.1 The Committee was reminded that the Police Authority Corporate Plan 2010/11 had been presented and endorsed by Members at the 13 April 2010 full Authority meeting. It was noted that the Corporate Plan contained strategic objectives for the year and an action plan in order to deliver against the objectives. Members noted that the Action Plan was regularly monitored by the Chief Executive's Management Team and work was undertaken in conjunction with the relevant Lead Member.
- 7.2 Members discussed the Action Plan and after consideration, endorsed all of the recommendations outlined at paragraphs 3.4, 3.5 and 3.6 of the report. The Chairman took the opportunity to thank Sarah Bryant for her ongoing hard work in respect of the Corporate Plan.

RESOLVED:

- i) To note the contents of the report;
- ii) To endorse the recommendations arising from the Corporate Business Plan, as outlined in paragraphs 3.4, 3.5 and 3.6 of the report.

8. Norfolk Audit Services Half Yearly Report for the period ended 31 March 2010

- 8.1 The Committee received the report, which was a summary of the results of recent work undertaken by Norfolk Audit Services and provided information on progress against the 2009/10 Audit Plan. The report also gave an overall opinion on the adequacy and effectiveness of risk management and internal control within the Police Authority and Constabulary.
- 8.2 Members were reminded that Internal Audit work was contained within the Annual Plan, which was endorsed by the Scrutiny and Audit Committee and that the allocation of audit time was based upon a risk assessments carried out over all areas of the Force's activities, which was continually reviewed and work was programmed throughout the year to ensure an efficient delivery.
- 8.3 It was noted that the overall opinion regarding the adequacy of internal control and risk management was 'Acceptable'. In response to a query from a Member, it was noted that comparisons with other Forces were not possible due to the number of different grading systems in use by other Forces. Members were reassured that additional audits could be requested from Norfolk Audit Services, if a need was identified.

RESOLVED:

To note the contents of the report.

9. Norfolk Audit Services Annual Report 2009/10

- 9.1 Members were pleased to note that the opinion of the Internal Auditors was that the overall the adequacy and effectiveness of internal control and risk management during 2009/10 was 'Acceptable'. Members noted the key messages included within the report and the work carried out by Norfolk Audit Services during 2009/10.
- 9.2 The Committee was informed that the Audit Commission carried out in 2008/09, their triennial assessment of the internal audit function of the Police Authority and its compliance with the Code of Practice for Internal Audit in Local Government. It was reported that as a result of this, the Audit Commission had confirmed that Norfolk Audit Services was compliant in its approach to the delivery of internal audit services to the Police Authority and they would continue to place reliance on Internal Audit's work.
- 9.3 The Treasurer reminded Members that a key aspect of successful internal and external audit work; was transparency and openness of approach and he thanked Norfolk Audit Services and the Audit Commission for their ongoing work in this respect.

RESOLVED:

To note the contents of the report.

10. Code of Audit Practice 2010

- 10.1 Robert Davies, from the Audit Commission, introduced the Code of Audit Practice for 2010, which included general principles, Auditors' responsibilities in relation to the financial statements and use of resources, reporting the results of audit work and the principles relating to the exercise of specific powers and duties of local government auditors. Members noted that the Code had only received minor amendments during the recent review.

RESOLVED:

To note the contents of the report.

11. Statement of Responsibilities of Auditors and Audited Bodies

- 11.1 Members were informed that the Code of Audit Practice 2010 was supplemented by the Statement of Responsibilities of Auditors and Audited Bodies, which sets out the respective responsibilities and had been updated to accompany the revised Code. It was reported that the Statement of Responsibilities became effective from 1 April 2010.

RESOLVED:

To note the contents of the report.

12. Opinion Audit Plan 2009/10

- 12.1 Chris Hewitt from the Audit Commission introduced the report to the Committee, which set out the proposed audit work to be undertaken for the audit of financial statements 2009/10. It was noted that the plan was based upon the Audit Commission's risk based approach to audit planning; which reflected the audit work specified by the Audit Commission for 2009/10, current national risks relevant to the Authority's local circumstances and local risks.
- 12.2 Members discussed the audit plan in detail and the Treasurer requested additional clarification for table 6 in appendix 4 to the report, regarding the disclosure of individual remuneration details for senior local government employees earning over £150,000 per year. It was noted that the final report would be amended to provide additional clarification, in this respect.
- 12.3 Members queried the Audit Fee for 2009/10, following the decision that PURE would no longer be part of the audit inspection. It was noted that no rebate would be paid for 2009/10, however some additional audit areas would be undertaken in 2010/11, such as the International Financial Reporting Standards.

RESOLVED:

To note the contents of the report.

13. Annual Audit Fee for 2010/11

- 13.1 Robert Davies, from the Audit Commission, advised the Committee that the Annual Audit Fee for 2010/11 had been reduced by 3% when compared to the Fees paid in 2009/10, which reflected the national corporate rebate and the high level of compliance by the Authority and Constabulary.
- 13.2 The Committee acknowledged the current level of economic uncertainty being experienced nationally and it was reported that additional information was expected within the next 3 to 6 months. Members were reassured that the Audit Commission would keep the Treasurer updated regarding any developments.

RESOLVED:

To note the contents of the report.

14. Annual Procurement Report 2009/10

- 14.1 Stephen Mellor, Director of Financial Services and Accountancy, apprised Members of the procurement activities undertaken during 2009/10 within the Constabulary in delivering value for money and implementing best practice.
- 14.2 Members noted the savings accrued and the details of all contracts placed above the £30,000 threshold figure (which had since been raised to £35,000 for 2010/11). It was noted that the Constabulary was continuing to move forward in the procurement field and it was reported that the targets set for 2010/11 were significant; in particular the cashable savings target for 2010/11 from procurement activity was £400,000.
- 14.3 The Committee was apprised that the Procurement Unit would continue to address the pressing issue of sustainability during 2010/11, which was a new element of the Police Use of Resources Evaluation (PURE) assessment. It was reported that procurement was also an activity within the scope of the Business Support Review (BSR), which was developing proposals for closer collaboration with Suffolk Constabulary. It was noted that recommendations from the BSR would be released later in the summer and may have a significant impact on the future of procurement across the two counties.
- 14.4 The Treasurer updated Members on the recent Value For Money Inspection which had recently taken place and it was noted that Value For Money was a major aspect affecting procurement. It was stated that a detailed update would be provided to the next meeting of the Committee, for information.

RESOLVED:

To note the contents of the report.

15. NPA Efficiency and Productivity Plan – Quarter 4 position (Year End) for 2009/10

- 15.1 The Committee was apprised of the year end position and noted that a detailed audit of actual income and expenditure against budget had been undertaken. It was noted that actual recorded efficiency savings for the year were £5.931 million against an

original plan of £7.138 million, which left original planned savings of £1.207 million not being achieved.

- 15.2 Members were apprised that the actual savings to date for the first 2 years of the 3 year regime equated to 7.1% of the baseline and it was noted that the detailed forecast figures for 2010/11 had been included in the plan following the agreement of the budget in February 2010. It was reported that the revised efficiency estimate for the 3 year period was 13.6% against the target of 10.3%, including the approved carry forward from the previous regime. Members were informed that even without the allowed carry forward, the revised efficiency estimate was expected to exceed the target of 10.3%. It was noted that the new 2010/11 values had been aligned to the HMIC Value For Money (VFM) categories.
- 15.3 Following a query from a Member, it was noted that central funding would be reduced in-year by the Government, in response to the current economic climate. It was reported that further information would be presented to the Police Authority at its next meeting on the 22 June and Members would be kept updated, as appropriate.
- 15.4 Members were reassured that the significant efficiency savings had not negatively impacted upon operational performance and it was noted that reported crime had decreased by 9.1 in 2009/10 when compared to 2008/09.

RESOLVED:

To note the contents of the report.

16. **Norfolk Police Authority / Norfolk Constabulary – Corporate Risk Register**

- 16.1 Richard Brown, Risk and Information Manager, reminded those present that the Corporate Risk Register was an important element of corporate governance, which informed decision making and demonstrated to organisations and members of the public that the Authority and Constabulary have appropriate controls in place to deliver their business. It was noted that Senior Managers within the Authority and Constabulary ensured that risk was taken seriously by Members, officers and staff, whilst recognising that significant risks could impede the achievement of the objectives of the Authority and Constabulary.
- 16.2 The Committee was apprised that the format of the Risk Register had been amended to make it easier to read and was a living document, under constant review. It was reported that the Risk Register was circulated to Members each month for information and that it was embedded in all aspects of the Authority and Constabulary.
- 16.3 Members were informed that the Constabulary shared its top 10 risks with other Forces, however the controls in place for each risk were kept confidential at the present time. It was noted that greater sharing of information with regard to risk registers may take place in the future. The Committee commended the work undertaken in this respect and noted the details contained within the risk register.

RESOLVED:

To note the contents of the report.

17. **Any Other Items of Business**

There were none on this occasion.

18. **Date of next meeting**

Tuesday, 14 September 2010.

(The meeting closed at 11.10 am)

CHAIRMAN